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August 22,2002

Commissioner Michael J. Copps Federal Communications Commission 445 Twelfth **Street**. S.W. Washington, D.C. 20554

Re: Ex parte contact in CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200 and 95-116; Universal Service Contribution Reform

Dear Commissioner Copps:

Cargill, Inc. is pleased that the Commission is considering new methods for funding universal service. The current approach, which assesses contribution obligations based on interstate and international revenues, is uneconomic and therefore unsustainable, and should be replaced with a method that assesses contribution obligation based on lines and activated wireless numbers. Cargill, however, strongly objects to a recent proposal made by certain state regulators to freeze the assessments attributable to residential lines.

Cargill, Inc. is one of many business customers paying a federal universal service surcharge ofbetween 8% and 10.6%. This revenue-based percentage charge requires high-volume users to pay a disproportionate amount of universal service costs. **As** a result, the current system discourages use **ofprcductivity-enhancing** communications technologies and creates a strong financial incentive for high-volume customers to use alternative technologies and service packages to reduce their costs – not a good result as our country fights its way out of recession.

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Very truly yours.

Manager, Global Network Services

6000 Clearwater Drive Minnetonka, MN 55343-9497

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Phone: 952.984.5525

Fax: 952.984.5909



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Larry Gessini / | Manager, Global Network Services

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